

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



Reserve

1. 9422  
Su 8m 51

WAR FOOD ADMINISTRATION  
Food Distribution Administration  
Washington 25, D. C.

January 13, 1944

SPECIAL COMMODITIES BRANCH MEMORANDUM NO. 8

Supplement C

CURRENT SERIAL RECORD

MAR - 2 1944

To: All Divisions and Sections, Special Commodities Branch  
From: H. C. Albin, Chief, Special Commodities Branch  
Subject: Inventory Reductions by Commercial Sale

In accordance with the instructions issued in Director's Memorandum No. 15, Supplement 11, this Branch will prepare and execute plans for the disposal of commodities which are excessive or are deteriorating. If it is apparent that the most advantageous disposition is to sell the commodity in question into commercial channels, the following instructions shall be effective:

- A. A proposal, in substantially the same form as the sample attached hereto, shall be prepared by the Commodity Representative and transmitted to the Liaison Representative on Inventory Management for forwarding to the Inventory Review Committee. (NOTE: this same form may be used in preparing the monthly and quarterly reports described in Supplement B of this series and in the Director's Memorandum referred to above.) The proposal shall be prepared and forwarded as soon as possible after the Commodity Representative becomes cognizant of an unfavorable inventory condition.
- B. When the approved proposal has been received from the Inventory Review Committee, a Sales Plan shall be prepared and forwarded in the manner outlined below:
  1. Each Sales Plan shall be limited to a maximum of two pages and shall contain the following items in addition to any other pertinent information:
    - (a) Commodity
      - Quantity on hand
      - Quantity to be disposed of
    - (b) Schedule of Releases
      - Quantities by periods
    - (c) Recommended conditions and Method of Sale
      - A brief statement explaining whether the sale will be formal or informal, whether the original vendor will be given a prior opportunity to purchase, and any special or unusual conditions.

- (d) Justification for disposition
- (e) Effect on allocations, rationing, domestic markets, profit or loss to FDA, etc. (Note: Whenever this statement indicates that it is anticipated that the sale will not result in recovery of the purchase price of the commodity, plus all other expenses except administrative, plus one percent of the total, a memorandum to the Commodity Credit Corporation must accompany the Sales Plan. This memorandum, prepared for the signature of the Director and addressed to the President, Commodity Credit Corporation, shall outline in detail the reasons for the expected loss and shall completely justify the transaction.)

2. Sales Plans shall be numbered consecutively and in the order in which they are issued; e.g., SC-1, SC-2, etc. Modifications of Sales Plans will be indicated by the number; e.g., SC-2-ML, etc. The numbers may be obtained from the Liaison Representative on Inventory Management, who shall maintain a file of all Sales Plans issued by this Branch.

3. Provision shall be made for signatures at the end of each Sales Plan as follows:

Recommended:

Approved:

---

Chief, Special Commodities Branch

---

Chief, Requirements and  
Allocations Control

---

Deputy Director for Civilian  
Activities

---

Deputy Director for Procure-  
ment Activities

4. Sales Plans shall be forwarded in an original and nine copies and routed as follows:

- (1) Liaison Representative on Inventory Management (retains 1 copy)
- (2) Assistant Branch Chief
- (3) Branch Chief
- (4) Permanent Records (circulates for approval)



An approved sales plan is a prerequisite to the disposition of any commodities for the purpose of inventory reduction, and it shall be the responsibility of the Liaison Representative on Inventory Management to follow up the sales plan and to notify the commodity division when approval has been obtained.

C. When approval has been received, the commodity division shall prepare an announcement of sale and a press release, unless the area and number of possible bidders is so small as to render a press release impractical, in which case permission may be obtained from the Deputy Director on Procurement Activities to waive the issuance of the press release. The assistance of the Marketing Reports Division shall be obtained in the preparation of all press releases. Before either the announcement of sale or the press release is issued, they shall be routed to the Deputy Director for Procurement Activities for clearance. Announcements will then be issued in the same manner as that provided for purchase announcements. Whenever practicable, it shall be the policy of this Branch to give preference to the offers, if any, received from the vendors from whom the commodity was originally purchased.

D. Incoming offers pursuant to sales announcements shall be handled in a manner similar to that for handling offers under a purchase announcement and an abstract of acceptance shall be prepared. However, prior to the issuance of acceptances, the abstract and a summary of all offers shall be forwarded for approval as follows:

1. Liaison Representative on Inventory Management
2. Branch Chief
3. Deputy Director for Procurement Activities
4. Director

The summary shall be prepared for my signature in the form of a recommendation of the acceptance of the bids indicated in the abstract. The summary shall show the range of all of the bids received, whether accepted or not, the cost of the product sold (with and without handling charges), and an estimate of the profit or loss.

E. When the approval of the Director has been received in this Branch, the acceptance may be issued, abstracts distributed and contracts documented in the same manner as purchase contracts are handled.

The Liaison Representative shall be responsible for furnishing the Deputy Director on Procurement with a progress report each two weeks until the transaction is complete and shall then prepare a report indicating the exact amount of the profit or loss from the sale. This report shall be forwarded to the Deputy Director for Procurement Activities as soon as possible and a copy should be furnished to the Permanent Records Section for the Sales Plan file.

Responsibility for following up all inventory reduction transactions, assuring complete documentation, maintenance of records and issuance of reports is assigned to the Liaison Representative on Inventory Management, and all memoranda and reports shall be routed to, or cleared through him for his information.

Attachment

B-206

*H. Galbin*

PROPOSAL FOR INVENTORY REDUCTION

Proposal Number \_\_\_\_\_

Date Submitted \_\_\_\_\_

1. Product:
2. Quantity:
3. Packaging:
4. Location:
5. Date acquired:
6. Program for which acquired:
7. Present condition:
8. Date when inspected by FDA for condition:
9. Reason for inventory reduction:
10. Suggested disposition:
11. Estimated recovery:

	Purchase Price	Storage and Transportation Cost	Total Cost	Estimated Sales Price	Profit or Loss
Per Unit					
Total					

Recommended:

Approved:

\_\_\_\_\_  
Chief of Branch Recommending Sale  
Date:

\_\_\_\_\_  
Chairman, Inventory Review Committee  
Date:

Received of the Treasurer of the  
Board of Education

for the sum of \$100.00  
the sum of \$100.00

Witness my hand and seal this 1st day of

January 1890

at New York City

John J. Smith

Superintendent of Schools

1890

1890

1890

1890

Received of the Treasurer of the Board of Education